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INDEPENDENT BROAD-BASED ANTI-CORRUPTION COMMISSION

MELBOURNE

FRIDAY, 6 DECEMBER 2019

(13th day of examinations)

BEFORE THE HONOURABLE ROBERT REDLICH QC

Counsel Assisting: Mr Michael Tovey QC
Ms Amber Harris

OPERATION SANDON INVESTIGATION

PUBLIC EXAMINATIONS PURSUANT TO PART 6 OF THE INDEPENDENT
BROAD-BASED ANTI-CORRUPTION COMMISSION ACT 2011

*Every effort is made to ensure the accuracy of transcripts.
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1 <MEGAN ANN SCHUTZ, recalled:

2 COMMISSIONER: Yes, Mr Tovey.

3 MR TOVEY: Thank you. Ms Schutz, we have an analysis of
4 invoices going between yourself and Watsons in respect of
5 the matters relating to Mr Walker?---Yes.

6 They are self-explanatory, and I don't propose to take you to
7 them?---Yes.

8 Those invoices, as they come from you, they are the project -
9 the name of the project to which they relate; is that
10 right?---Yes.

11 And if Watsons have recorded it in some other way it's not
12 something that you are aware of, I assume?---No.

13 All right. In any event, I just want to get to the - so for
14 some time - as of 2017 - I'll just get back to the
15 beginning of this. It would seem that from some time in
16 2016 DCT, Mr Walker's company, was getting regular
17 payments of \$5,500 a month from Watsons, and that's
18 something that you were aware of?---Yes.

19 Then Watsons kept on making payments of that amount that
20 I think in 2017 had reduced to 3,300 a month; is that
21 something you were aware of?---I'd have to refresh - - -

22 It doesn't matter. In any event, so far as you were aware,
23 payments continued from Watsons. Then the invoices would
24 tend to indicate that from about February 2018 you became
25 involved in providing funds on a monthly basis to
26 DCT?---Yes. They were disbursed on my invoices to
27 Watsons. I think there was a project called Strathtulloh
28 community consultation.

29 Yes, well, I'll get there. But in March/April of 2015 you

1 still had Watsons making some direct payments but - -
2 -?---Is this 2018?
3 Sorry, 2018?---Yes.
4 But you were still making payments yourself. But I just want
5 to take you now to around June of 2018?---Yes.
6 At that stage it became the case that there was a payment of
7 \$5,500 a month that you would invoice to Watsons sometimes
8 under the name "Elysian", for instance, if it was relating
9 to Elysian Estate?---I'd have to refresh my memory, but
10 I think there was - - -
11 All right. I'll give you a look at one or two of these - -
12 -?---Yes.
13 Just so you understand what we are talking about?---Yes.
14 Could you look, please, at financial book 3, page 137?---Yes,
15 yes.
16 If we just scroll down there, this would seem from our view to
17 be fairly typical. Can you see that okay?---Yes. Yes.
18 Could we just enlarge it; thank you. So if you look at that
19 you'll see that's a Watsons invoice - sorry, that's a tax
20 invoice, is that right, addressed to Watsons?---Yes.
21 From you?---Yes.
22 And that's in respect of Strathtulloc?---Strathtulloh.
23 Strathtulloc. And was that a Watsons' project?---Yes.
24 In respect of which Ray Walker was doing some work?---Yes.
25 And you'll see that the amount there was \$5,500?---Yes.
26 So that was June of 2018, and so you submitted that invoice and
27 you were paid by Watsons?---Yes.
28 All right. In respect of that, though, is it correct that the
29 work was being done for Watsons?---Yes.

1 And, so far as he was employed by anybody, he was employed by
2 Watsons; you were just the person who was providing the
3 money?---Yes, but the work was done for Watsons. I'm not
4 clear why I was paying him, yes.

5 And is that typical of the type of invoices which kept on
6 occurring from that point on for quite some time?---Yes,
7 including this year.

8 Yes.

9 COMMISSIONER: I'll mark that exhibit 109.

10 MR TOVEY: Some of those invoices were marked "Strathtulloc",
11 some of them were Elysian Estate?---So the Elysian Group -
12 my recollection is the Elysian Group invoices were paid by
13 Elysian Group.

14 Well, could you just have a look at this. I'd suggest to you -
15 for instance, back in June 2018, go to page 139. You
16 recognise the writing on that as Mr Woodman's
17 writing?---No, I don't think that is John's writing.

18 Okay. In any event, you'll see that that is an invoice to
19 Watsons?---Yes.

20 For Elysian?---Yes.

21 All right. So Watsons were receiving invoices for work that
22 Mr Walker was doing for them on Elysian; is that
23 right?---Yes, but I think - I think - I've got the whole
24 train of invoices in my system.

25 Yes?---I think later invoices were invoiced to Elysian
26 Group Pty Ltd.

27 Okay. In any event, at that stage - - -?---Yes.

28 And still it's the amount 5,500?---Yes.

29 COMMISSIONER: How do we know, Mr Tovey, this relates to

1 Elysian?

2 MR TOVEY: If you look at the word "tax invoice", go directly
3 south of that, Mr Commissioner.

4 COMMISSIONER: I see; thank you.

5 MR TOVEY: You'll see "Elysian job number".

6 COMMISSIONER: Thank you.

7 MR TOVEY: So what's happened is monthly payments which were
8 just being sent directly through you for consulting
9 generally came at that stage to be allocated to either
10 Elysian or Strathtulloc; is that right?---Yes.

11 It does occur to one that it's unlikely that one month he's
12 only doing work on Elysian and then the next month he's
13 only doing Strathtulloc. Was this just what you were told
14 that the invoice should be for?---No, Ray was - did do
15 work on Strathtulloh. Looking at those two invoices, was
16 the previous one May or was it the previous - or March
17 or - - -

18 The first one was - these are both invoices dated
19 14 June?---Okay. So the arrangements were that I was
20 instructed to engage Ray and Verlie for \$2,500 a month to
21 carry out work in relation to a Strathtulloh consultation
22 process. Watsons was doing the planning in relation to
23 that project. I wasn't involved in it at all. The
24 Elysian Group - on my file there's a set of instructions
25 dated April 22, 2018 which engaged Ray from that
26 date - engaged Ray and Verlie from that date until
27 December 2018 to carry out campaigning in relation to Hall
28 Road.

29 All right. We'll just go to a Hall Road invoice later on.

1 Perhaps we could go to financial book 3, page 143. Could
2 we just scroll down; thank you. That's the wrong note.
3 Could we go to 144, please. 145, please?---Yes. So this
4 was a - so I've been back through my file in relation to
5 this matter, and in January this year Ray - John
6 instructed that Ray be engaged for \$5,000 a month. When
7 I've gone back to my emails it was 2,500 - the January
8 email, so it was \$2,500 a month for Hall Road and 2,500
9 for market - the south-east corridor - you know, going
10 around to estates and seeing what lots had been sold,
11 et cetera. But I ended up setting up a matter - and he
12 asked - there's email correspondence where he specifically
13 asked me to - that Ray invoice Schutz Consulting, and
14 I just agreed. I didn't even think about it, to be honest
15 and - - -

16 All I want from you is - - -?---Yes.

17 The work was being done - - -?---The work was being done and
18 delivered - - -

19 Not for you?---It was delivered to Watsons, yes.

20 Mr Commissioner, could I please tender invoices in financial
21 book 3, page 137 through to 151.

22 COMMISSIONER: Yes. They are the documents you have shown
23 Ms Schutz?

24 MR TOVEY: That's a group of documents from which those have
25 been extracted.

26 COMMISSIONER: Yes. That will be exhibit 109.

27 #EXHIBIT 109 - Invoices in financial book 3, pages 137 through
28 to 151.

29 MR TOVEY: So I just want to take you back now to where we were

1 yesterday. I'll have played to you again the tape that
2 had been played shortly before you adjourned. I think you
3 were probably a bit worse for wear at that stage?---Yes.
4 I have reflected on it overnight.

5 It's okay?---Yes.

6 Don't worry about it. I'll play it to you again, and I'll then
7 ask you some questions?---Yes.

8 Could the witness please be played exhibit 108, which is tab
9 159.

10 (Audio recording played to the Commission.)

11 MR TOVEY: Now, when you indicated in the first line there,
12 "I do not think I should return the call because if I'm
13 asked about text messages I will have to lie," are those
14 the text messages that you had exchanged during the
15 council meeting - - -?---Yes.

16 That we have already discussed?---Yes.

17 And you said you're not going to lie about it, "I can't risk
18 that"?---Yes.

19 And you're there talking about a response that you were
20 planning to be making to The Age; is that right?---Yes .

21 When I say "response", you were working out what your best
22 position would be - - -?---Yes.

23 In response to The Age allegations?---Yes.

24 All right. Then you'd indicated that you'd had a talk to
25 Ray?---Yes.

26 And that was Ray Walker?---Yes.

27 And at least initially Ray wasn't going to blurt out the full
28 nature of the relationship; was that your
29 understanding?---Yes.

1 All right. Then - - -

2 COMMISSIONER: Just a moment, Mr Tovey. Why did you recognise
3 that if you had spoken to The Age you would have to
4 lie?---Because it was clear that I was meant to be keeping
5 a secret my briefing of the councillors.

6 Why would you have to lie about it?---Sending text messages?
7 Yes?---Because it would - because it's not normal process and
8 it's not - - -

9 It's not right?---It's not right, yes.

10 So doesn't this show, Ms Schutz, that you recognised not merely
11 now as you are in the witness box, you recognised at the
12 time - - -?---I knew.

13 That it wasn't right?---Yes, I knew that it was - - -

14 MR TOVEY: Okay. Then, "Ray agrees that I've not provided
15 legal advice." What was that about? There was some issue
16 about whether you'd provided legal advice?---So Sam Aziz
17 at the meeting on 4 September referred to me - well,
18 referred to someone providing legal advice.

19 And so you were planning to deny that that was you?---Well,
20 I ended up - I didn't provide legal advice - - -

21 I know. I understand your position?---Yes.

22 And technically that was a correct answer, but it wasn't going
23 to really - it was really avoiding the substance of the
24 issue, wasn't it?---Yes.

25 And then, "GA rang because Sam had rung him about other
26 matters, but Lorraine didn't tell me that he's also
27 brought up about Morison Road, and that Morison Road is
28 tied up with the Pavilion Estate"?---Yes.

29 What was the issue about Morison Road?---Well, it was a Sam

1 Aziz alternative recommendation again.

2 And so that was part of one of the Pavilion road notices of
3 motion?---Yes.

4 That Sam Aziz put forward designed by you?---Yes.

5 And what was the effect of that motion?---It provided for an
6 amendment to the Pavilion Estate permit and - - -

7 And what was the effect of that amendment?---Allowed for the
8 northern part of Morison Road to be reduced from 31 metres
9 down to partly twenty- - I think it ended up at 27 metres,
10 and it deleted the six metres of open space that council
11 officers wanted for the tan track that was supposed to be
12 located in Casey Fields. The recommendation also provided
13 for the construction of the northern part of Morison Road
14 north of the VicTrack land.

15 Sorry, north of?---The VicTrack land. So the VicTrack rail
16 corridor, the Cranbourne line extension.

17 So this was a road which led from the north into the Pavilion
18 Estate?---Yes.

19 And, sorry, so what was the motion in respect of that?---The
20 motion provided for - I think it was along the lines of
21 council covering the cost or reimbursing the cost of
22 construction because that road had vested in council
23 without a road in it.

24 Okay. Let's just take this - - -?---Yes.

25 The motion provided for the council to pay for the construction
26 of that road?---Yes.

27 And who were they paying?---So they were reimbursing the cost
28 of construction by the developer of the Pavilion Estate.
29 So the Pavilion Estate developer constructed the road

1 and - - -

2 And who was that?---So the contractor constructing the road

3 I assume was a company called LOJAC.

4 And who were the - were Watsons involved in that?---So Wolfdene

5 was the development manager, and the project is owned and

6 funded by what I understand to be my client, 1425

7 Blueways Pty Ltd.

8 And who was behind that?---I'm not sure who the directors of

9 1425 Blueways are.

10 Anyway, were you involved in this arrangement - sorry, in

11 bringing about this arrangement relating to the

12 reimbursement of - in respect of the construction of the

13 north part of Morison Road?---I was involved in terms of

14 preparing the draft recommendation, the alternative.

15 And who had you do that?---I'm pretty sure it was John, was

16 instructing me, and Watsons were liaising in terms of

17 reimbursement of costs, Watsons were directly liaising

18 with the council's engineers to demonstrate the cost of

19 construction of the road.

20 So what was the situation? There was a road to be built

21 through a development north of the Pavilion development;

22 is that - - -?---So - - -

23 If we just take it a step at a time?---Yes.

24 That was part of an original permit. Did the developers of

25 that northern development have responsibility for that

26 road?---Yes.

27 And did they build the road?---It was peculiar because the road

28 vested in council with no road in it.

29 So there was a road reservation there?---Yes.

1 But because of effluxion of time the road wasn't built and
2 re-vested in the council. How did it come to re-vest in the
3 council?---So when you do a plan of subdivision it had
4 been created by a plan of subdivision, and council is the
5 gatekeeper on whether a plan of subdivision can be
6 registered or not. So for some reason council had granted
7 statement of compliance for that plan of subdivision with
8 Morison Road on it without actually requiring the
9 developer to either construct the road or to bond the
10 construction of the road. There was a section 173
11 agreement mechanism on the Blue Hills permit, and that had
12 not been enforced by council.

13 COMMISSIONER: What's a 173?---So under the Planning and
14 Environment Act you can put planning obligations on the
15 title of a parcel of land through a section 173 agreement.
16 It's akin to a restriction on title but it's a statutory
17 creature, yes.

18 Thank you.

19 MR TOVEY: Does that agreement typically involve the embodiment
20 of commitments that a developer makes in respect of the
21 development of a - in respect of paying the costs involved
22 in a development?---Yes.

23 Did the non-building of that road create a problem for Watsons,
24 as you understood it?---It created a problem for
25 developing the Pavilion Estate because the servicing of
26 the Pavilion Estate was coming from the north. So the
27 main - I think it was the sewer and the water and the
28 electricity was coming from the north.

29 All right. So at the time that you put this notice of motion

1 in was there any requirement for anybody to build that
2 road, or had the whole thing just lapsed? What was the
3 state of play?---So we tried - sorry, not "we".

4 Woldene's development manager and Blueways sought to try
5 to negotiate with Blue Hills, the developer, their
6 representatives, to have the road built. But they were in
7 obviously no rush to fund the building of the road because
8 they didn't need it for their development, what they were
9 doing.

10 Yes. So at that stage were they still prepared to build the
11 road at some stage that was convenient to them or - -
12 -?---It was all very open-ended. Council officers were
13 then trying to negotiate a section 173 agreement with -
14 but there was no lever other than going to VCAT to require
15 Blue Hills to enter into that section 173 agreement. It
16 had to be enforced, yes.

17 So in the end then did the Woodman/Watsons' interests come to
18 build the road?---So with development time is money. So -
19 the road needed to be built. So an agreement - well, the
20 recommendation to council provided for that road to be
21 constructed by the developers of Pavilion and for council
22 to reimburse the cost of construction and then for council
23 to go after Blue Hills in terms of enforcing Blue Hills'
24 obligation.

25 Yes. And was that a benefit to the people who were behind
26 Pavilion Estate?---Yes, it was a benefit to the
27 development.

28 What was the benefit to them?---It allowed us to have access
29 to - sorry, we were able to construct a road within

1 council's road reservation and - - -

2 And were there profits involved in that?---Well, it allowed us

3 to get release of stage 1, 2 and 3 of the estate because

4 we had access.

5 Yes?---Yes.

6 So you got profits - sorry, you got profits because you had

7 access which allowed you early release of the land; is

8 that right?---Yes.

9 What about the road cost itself? Did interests related to

10 Watsons or Mr Woodman have a finger in that pie, in the

11 building of the road, to your knowledge?---Watsons did the

12 engineering of the road. So they prepared the detailed

13 engineering plans for that road that was approved by

14 VicTrack and council, and - - -

15 Do you know what fees they would have received or they did

16 receive?---They were the project engineers on the Pavilion

17 Estate. So they engineered the whole of Pavilion Estate,

18 yes.

19 But in respect of that - - -?---The road?

20 The road?---I don't know exactly.

21 Okay. So that's how all that fits together; thank you?---Yes.

22 COMMISSIONER: And how did you work to get approval of that

23 through council? What was the strategy to get that

24 approved by council?---Do you mean the construction of the

25 road?

26 Yes?---So it was in the alternative recommendation to council.

27 I think it was the last point in that alternative

28 recommendation that was passed by council on 3 April 2018

29 that - - -

1 Mr Aziz had put forward?---Correct.

2 Yes, I see. Thank you.

3 MR TOVEY: All right. Now I want you to go on, if you wouldn't
4 mind, to - so that was exhibit 108. I would now ask you
5 to go to - excuse me, Mr Chairman. I now ask you to go to
6 tab 160, which is part of the same conversation,
7 Mr Commissioner, and this is - so this is a conversation,
8 just to remind us, on 25 October 2018 between Mr Woodman
9 and Ms Schutz.

10 (Audio recording played to the Commission.)

11 MR TOVEY: That's why I took you to those invoices. You have
12 told me he was working for Watsons. That's
13 true?---I mean, this conversation just demonstrates how
14 close and blindsighted - - -

15 When you talk about blindsighted, you really closed your eyes,
16 didn't you, to the obvious?---Yes, I was just - yes.

17 I mean, you accept that proposition?---I do.

18 COMMISSIONER: So those parts of these conversations where you
19 change your speed of address and it's all drawn out,
20 that's when you and Mr Woodman are acknowledging to each
21 other, "This is the party line that's going to be
22 presented to the outside world"?---Yes. And the reason
23 I speak to him like that is because he can't hear
24 anything.

25 I seem to recall there was a conversation which preceded this
26 where Mr Woodman had said to you - the subject matters
27 not, but he said, "You're not listening to me," and then
28 he suddenly changed his tone and started speaking very
29 slowly - - -?---Slowly.

1 And that seemed to have set a pattern for when you and he were
2 acknowledging that, "This is how this issue is going to be
3 presented to the outside world"?---Yes.

4 Do you remember that?---I can't remember that exact bit of the
5 conversation.

6 All right.

7 MR TOVEY: Look, I'm not anxious of doing Mr Walker any undue
8 damage, but it's apparent from that, is it not, that you
9 had arranged with Mr Walker that he would cover up if
10 asked by The Age the fact that he was employed by
11 Watsons?---That he was - yes, that he was - I think he
12 knew that he was employed by Watsons, yes.

13 All right. Thank you.

14 COMMISSIONER: That bit you have just played, should that be
15 made part of exhibit 108?

16 MR TOVEY: It should be made part of the same exhibit; thank
17 you.

18 COMMISSIONER: Yes.

19 #EXHIBIT 108 - (Added) Phone conversation between Megan Schutz
20 and John Woodman on 25 October 2018.

21 MR TOVEY: Mr Commissioner, I'm now about to go into an area
22 which involves the way in which Mr Woodman and Watsons
23 approached the State government in respect particularly of
24 C219. Before I say that, I want to reiterate that the
25 concern here has been to disclose the nature of access
26 available to those developers who make significant
27 political contributions, and I want to reiterate that it's
28 no part of this inquiry to suggest that there has been the
29 discovery of any wrongdoing or impropriety by any minister

1 or by any member of government. However, the question is
2 whether the process has been sufficiently transparent.

3 The following series of phone calls relate
4 sometimes to what could possibly be simply puffery by
5 people who are promoting their own interests by talking
6 about the closeness of their association with politicians,
7 et cetera. So to that extent they need to be looked at
8 carefully. But, nevertheless, these are all conversations
9 which bear on the way in which Mr Woodman and developers
10 like him make their approaches and insinuate themselves.

11 COMMISSIONER: Yes. Is this going to focus upon in particular
12 C219?

13 MR TOVEY: It will be because what happened with C219, of
14 course, is that, unlike the other issues with which we
15 have been dealing, this ultimately as a rezoning and the
16 rejigging of a precinct structure plan, it needed the
17 approval of the minister.

18 COMMISSIONER: Yes. And I think you've already made clear,
19 Mr Tovey, in a number of ways it's not part of this
20 inquiry's task to make any determination of whether the
21 rezoning was a good or a bad decision.

22 MR TOVEY: No.

23 COMMISSIONER: It's not part of the focus of the inquiry.

24 MR TOVEY: Except in the most obvious cases it is impossible
25 ever to make an objective determination about that.

26 COMMISSIONER: Yes.

27 MR TOVEY: I just want to go through this in a chronological
28 sequence and I just want to ask you what your knowledge is
29 of certain events. This conversation hasn't been

1 transcribed, but I will just tell you about it - sorry, it
2 hasn't been transcribed at this stage. On 9 November 2018
3 during an intercepted conversation between yourself and
4 Mr Woodman you discussed a political fundraiser that
5 Mr Woodman had held for Jude Perera in 2014 at the Crown
6 Casino. In the course of that conversation you indicated
7 to Mr Woodman, "I think we did in 2014. We did in 2014.
8 I remember being there. I remember Adam and Michael being
9 there as well at the Crown Casino," and then he asked you,
10 "Was it for Jude Perera," and you replied, "Yeah, yeah.
11 I'd even be able to go back in my diary and tell you when
12 it was. It was on a Friday night on 4 April 2014." Now,
13 do you recall that a conversation of that nature took
14 place?---I do.

15 So as part of making political connections were you involved in
16 2014 at a fundraiser at the Crown Casino and that would
17 seem to have been on about 4 April 2014?---I was invited
18 to so many fundraisers, and I couldn't count the number
19 I have been to. There's lots and lots of State member
20 fundraisers I've been to, including that one.

21 Yes?---Yes.

22 So, just starting with that one, what do you recall of
23 that?---It was one of the private rooms in the Crown
24 Casino, which is quite a common venue for fundraisers.
25 The member or a couple of members make a speech. The
26 fundraisers are usually funded by a particular sponsor.
27 I've been to a lot of fundraisers that have been hosted by
28 Progressive Business and - - -

29 What's Progressive Business?---Progressive Business is

1 the - I believe it's an unincorporated, a not-for-profit
2 association, but it basically promotes itself as an
3 organisation that provides business with the ability to
4 connect with government, yes.

5 And is that an organisation which is affiliated with any
6 party?---Well, it's Labor. It's the Labor Party's
7 version. Enterprise 500 is the Liberal Party's version.

8 Yes. When you referred there to Jude Perera in 2014, who was
9 Jude Perera?---Jude Perera was the member for Cranbourne
10 between - I think prior to 2014 and then from 2014 to
11 2018, when he retired.

12 And was he somebody who was approached, to your knowledge, to
13 seek to further the interests of Mr Woodman in respect of
14 the approval of C219?---He was the member for Cranbourne,
15 so he had a lot of contact with Jude Perera during the
16 period.

17 COMMISSIONER: So, just to be clear, when the political
18 parties' fundraising machine - and you've identified the
19 two. They are both unincorporated, are they?---Sorry,
20 I said "unincorporated", didn't I? I - - -

21 Anyway, whatever their status, what I'm interested in knowing,
22 Ms Schutz, is do they approach you, the developer, or does
23 the developer approach them to organise a fundraiser?---So
24 they have their own calendar of events, and then on top of
25 that I think they can also approach a developer - they
26 will ask a developer or one of their members, which are
27 wide ranging - - -

28 Yes?---Whether they would host and basically sponsor a lunch,
29 put on a lunch.

1 And so it's normally initiated by that entity, is it?---Yes.

2 Well, it's initiated by that entity, but Phil Staindl
3 often put on events as well.

4 Who was he?---Phil Staindl is a registered lobbyist, yes, who
5 has had a very longstanding relationship with the Woodmans
6 and who they use to access State Government.

7 Thank you.

8 MR TOVEY: From your involvement with Mr Woodman, was his
9 political patronage targeted at the political party which
10 at any point in time might be of most use to him?---My
11 observation was that he always had a bet each way. If
12 there was confidence that a particular party would be
13 remaining in government, then the donations he was going
14 to be providing would go to the party who, you know, would
15 be the decision maker, yes.

16 Could you have a look at 3950, please. That would seem to be
17 an invitation on 21 March of 2014 to Brian Woodman?---Yes.

18 Is that John Woodman's brother?---Yes.

19 Inviting him to be at a function on 4 April 2014?---Yes.

20 The guest speaker being Martin Pakula, the Shadow

21 Attorney-General?---Yes.

22 Being the Shadow Attorney-General, Minister for Corrections,

23 Gaming, Racing, et cetera, et cetera. Also in attendance,

24 Jude Perera, you've told us about?---Yes.

25 And Judith Graley?---Yes.

26 Member for Narre Warren South?---Yes.

27 And was Judith Graley somebody to whom, to your knowledge,

28 Mr Woodman directed representations relating to projects

29 in which he had an interest, in particular C219?---Yes.

1 And was that done regularly?---Yes.

2 And tell me was that done in the expectation that she would
3 then lobby ministers, members of government to try and
4 achieve the result that you were seeking?---Yes.

5 So, having seen that, it would appear, would it not, that that
6 was a function in fact being paid for by Watsons?---Yes.
7 I assume with that that Phil Staindl was helping organise
8 that function.

9 Yes?---Yes.

10 I now want to go on to February 2016.

11 COMMISSIONER: I'll mark the invitation for 4 April '14 exhibit
12 110.

13 #EXHIBIT 110 - Invitation for 4 April 2014.

14 MR TOVEY: And could we go to 3640, please. That's a text from
15 you to Ray Walker?---An email.

16 Sorry, did I say a text? An email, yes. Where you say, "As
17 discussed last weekend, I met with council officers to
18 discuss the minister's letter. The outcome of the meeting
19 is that we still don't know what the letter means. The
20 Kelly family had asked that I meet with all the government
21 agencies to find out what the position of the 'whole of
22 government' is before we draw any conclusions." Can you
23 indicate what that's about?---Yes. So we received a
24 letter - the planning scheme amendment was
25 obviously - council I think in March 2015 had resolved to
26 request the minister for authorisation to put the C219
27 amendment on public exhibition.

28 Yes?---A letter was received, I think it was right at the end
29 of December, actually, which asked for further information

1 in relation to the amendment and raised concerns about the
2 amendment. I was asked by John Woodman, and he was the
3 main strategist for Leighton Properties, to go and see all
4 the State government departments. The State government
5 departments were strongly against the amendment. So the
6 VPA, DEDJTR, the jobs department, DELWP. So I - - -

7 COMMISSIONER: This is the C219?---This amendment C219. So
8 I - yes.

9 MR TOVEY: So what did you do? What access did you have? I'm
10 not suggesting that it was either good or bad - -
11 -?---Yes.

12 But what access did you as a matter of fact have to people in
13 government or people in the public service to do what you
14 are now describing?---So I rang up the VPA, I think, and
15 organised a - - -

16 Sorry, what's the VPA?---So the Victorian Planning Authority.
17 Yes?---And the Department of Environment, Land, Water and
18 Planning. So there's officers that were dealing with the
19 amendment. I would have contacted DELWP first. There was
20 an officer in the planning unit dealing with this
21 amendment, and I would have sought a meeting to discuss
22 what the minister's letter meant.

23 And did you achieve obtaining such a meeting?---Yes. We had
24 the meetings but because State government officers were so
25 against the amendment it wasn't - they didn't provide any
26 input, really.

27 COMMISSIONER: So they were opposed to the change of the land
28 from employment/industrial to residential?---Yes.

29 MR TOVEY: So was it then acknowledged by you and Mr Woodman

1 between yourselves that you would never change the minds
2 of the bureaucrats?---It was clear that the bureaucrats
3 were against it, that their minds wouldn't be changed.

4 As a result of that, did you determine that, really, the
5 strategy had to be a strategy that appeared to be driven
6 by the community?---It was in - there's an email, it was
7 either in '16 or '15, where I am given - it must have been
8 in '15 - I was given very, very clear instructions that
9 without the community on board the rezoning was going
10 absolutely nowhere.

11 So it then became critical - - -?---And that instruction was
12 given following the feedback John had had from Judith
13 Graley.

14 All right. So it was then critical that, if that strategy was
15 to succeed, Mr Walker and SCWRAG weren't seen to be a
16 creature of Watsons, otherwise they would have no
17 pull?---They had to be a bona fides, authentic community
18 group.

19 COMMISSIONER: Independent?---Yes.

20 You mentioned the feedback from Graley. What was that
21 feedback?---I received an email saying that John had
22 spoken to Judith and it was clear from discussions that
23 without the community's support the rezoning was going
24 nowhere.

25 Was it evident how did Ms Graley know that?---I know that she
26 had been briefed - briefing Minister Wynne in relation to
27 the rezoning and having discussions with him.

28 MR TOVEY: I'm about to move on to 2018. So we started in
29 2014. Between 2014 and 2018 you have indicated that there

1 were regularly functions, political functions - -

2 -?---Yes.

3 Either put on by Watsons or supported by Watsons?---Yes.

4 Were the functions that were either put on or supported, were

5 they targeted at any particular cohort

6 politicians?---There were particular politicians that were

7 more friendly than others, yes.

8 And who were they - or, sorry, who were seen to be more

9 friendly than others?---Judith Graley, Jude Perera, Tim

10 Pallas, the Premier - - -

11 What about Pauline Richards?---Merlino, Pauline Richards.

12 Well, Pauline Richards took over Jude Perera's seat. So

13 when the - during that process of becoming the Labor

14 candidate, yes, she was - there were fundraisers that were

15 put on for her. Well, sorry, I'm not sure that - I must -

16 I didn't have firsthand whether they were fundraisers.

17 I put on - I went to a fundraiser. I was invited to a

18 fundraiser which John had asked me to ask Jude Perera's

19 office who was organising the fundraiser what they - you

20 know, what they wanted him to contribute, and they said,

21 "Oh, it would be great if he could buy two tables," and

22 that's what happened, and I think the tables were \$750

23 each.

24 COMMISSIONER: So it be clear, you said they were friendly,

25 these people you've mentioned?---Yes.

26 Is that based on your own meetings with them or is it based

27 upon what Mr Woodman told you, or is it simply based on

28 the fact that they attended these fundraisers?---I briefed

29 some of those politicians directly at the request of John.

1 I attended meetings with them through - Progressive
2 Business is a very, sort of, friendly forum, and the same
3 people - I mean, you know, there's probably - I'm not sure
4 exact membership, but the same suspects turn up at all the
5 events and go to all the lunches. So the politicians know
6 you by name. They know who you are. You get the
7 opportunity to brief them. If you want to brief their
8 office, you can. They'll say, "Look, my minister
9 adviser's here. He'll put you in contact with
10 the relevant people." So it was getting access to the
11 ministerial office in contrast to access via the
12 department.

13 So when you say - just so there's no misunderstanding, when you
14 say "friendly", you mean anything more than they were
15 willing to talk to you openly?---Yes. So that's what
16 I did mean, that I could approach them at these forums and
17 they would be willing to have a discussion with me.

18 MR TOVEY: I tender, Mr Commissioner, the email of 5 February
19 of 2016 - - -

20 COMMISSIONER: That will be exhibit 111.

21 #EXHIBIT 111 - Email of 5 February 2016.

22 MR TOVEY: Now, I want to take you to 8 February 2018 and have
23 a look you at 3754-6. That is an invoice which has been
24 paid by Watsons in respect to a dinner with the Premier,
25 Mr Andrews, in I think it was - what's the date of that?
26 I think that's 8 February 2018, isn't it?---Yes, I think
27 the - sorry, what date are you - there's a date up the top
28 there - - -

29 Sorry, I have it noted as 8 February. I'm just not sure - -

1 -?---If you look up the top, it's got a reference number
2 and it's got date written in red biro.

3 Could we just go further up, please, just to see whether
4 there's any further date. No, and go down to the
5 bottom?---There it is there, that it was entered on 13/6.

6 It looks like in fact it would have been 8 June of 2018.

7 COMMISSIONER: This is an invoice by the Bentleigh - - -

8 MR TOVEY: Yes, could we just scroll up. This is an invoice by
9 the Bentleigh - the office of the Bentleigh branch of the
10 ALP. Now, it would appear that then \$8,500 has been paid
11 for a dinner or for attending a dinner. Were you involved
12 in that?---I have been to a couple of events at the
13 Hellenic club. I assume - I'd have to check my diary, but
14 I assume that's one of the events I went to, yes.

15 Do you recall - sorry, when you say "a couple of events", do
16 you recall whether both those events were "dinner with
17 Dan" events or whether they were other sorts of
18 events?---To be honest, Mr Tovey, I've been to so many of
19 these events I forget who the events are for.

20 Yes. Are you able to say whether or not these events involve
21 opportunities to lobby in respect of projects or
22 not?---Yes, there's an opportunity to speak to politicians
23 about something that you might want to come and see them
24 about.

25 From your experience, are there any rules against that? If you
26 are talking with senior politicians or ministers, are
27 there any rules against raising specific issues?---They
28 always have a ministerial staffer there, and the
29 ministerial staffer is the one who arranges a briefing or

1 deals with the issue on behalf of the - so even though you
2 might have talked to a politician about the matter, it
3 then goes through the ministerial staffer, who seeks
4 advice or I assume puts together a brief and assessment
5 for - or progresses it. But it's a way of - - -

6 I just want to understand how the process works. Do you talk
7 to the senior politician or the minister on the night
8 about the project or - - -?---Yes.

9 And does that work - is that the way it's worked with both
10 sides, with both sides of politics?---I haven't been to
11 many Liberal events. My main focus - like, it's been
12 really - in not so much - not this year, but in 2018 and
13 I think '17 as well where I went to so many events on a
14 weekly basis you would just go up to the member of
15 parliament and talk to them directly about a matter.

16 COMMISSIONER: I'm just trying to understand what you said a
17 moment ago about doing a briefing to someone in the
18 minister's office?---Yes.

19 Is that before such an event to advise that you would like to
20 use that opportunity to discuss that issue; is that the
21 way it works?---So in some cases when Progressive Business
22 had a forum you had to provide a - you had to provide an
23 agenda of what you wanted to speak to relevant ministers
24 about or members of cabinet. In the case where I went to
25 a lunch, you know, a boardroom lunch they are referred to,
26 where there might be 20 people with the member of
27 parliament and their staffer, you could talk about
28 anything, and often I would hand a note, like a briefing
29 note, I would have prepared a briefing note, and I would

1 say, "Can we come and speak to you about this issue?"

2 So when would you do that? Before the meeting or on the day of
3 the meeting?---On the day.

4 On the day?---On the day of the boardroom lunch.

5 So then whoever the particular minister's minder was would
6 decide, looking at what you wanted to talk about, whether
7 you could meet them?---We'd always get - yes, we'd always
8 be able to - we'd - I'd speak directly to the member of
9 parliament, and then he or she would say, "Just provide my
10 staffer the briefing note." I would end up with their
11 business card, and then I would be able to ring them up
12 and follow up on the briefing note.

13 I see.

14 MR TOVEY: When you talked about these sorts of functions being
15 attended by the usual suspects, were you talking about a
16 particular group of people or people with a particular
17 type of interest?---There were other players in the
18 development industry there. There were a range of - a
19 really broad range of industries at these lunches and
20 events.

21 COMMISSIONER: An unfortunate turn of phrase, "suspects",
22 Ms Schutz?---I'm sorry, I didn't mean to - that - yes.
23 But people who had planning interests?---Not only planning
24 interests. Across the spectrum of the economy.

25 Yes, very good.

26 MR TOVEY: Could I take you then to tab 119.

27 COMMISSIONER: I'll mark that invoice of Bentleigh branch of
28 the ALP for an invitation to Mr J Woodman for dinner with
29 the Premier exhibit 112.

1 #EXHIBIT 112 - Invoice of Bentleigh branch of the ALP for an
2 invitation to Mr J Woodman for dinner with the Premier.

3 WITNESS: Can I please have some water? Thank you.

4 MR TOVEY: This is a conversation on 17 October of 2018 between
5 Megan Schutz and Geoffrey Ablett.

6 (Audio recording played to the Commission.)

7 WITNESS: Sorry, can you remind me of the date?

8 MR TOVEY: That was on 17 October 2018?---Yes. So that would
9 have been - related to the minister of planning's letter
10 deferring his decision on amendment C219.

11 All right. And what was happening there? Had you been trying
12 to get a copy of that letter?---Yes.

13 And was Mr Ablett trying - so was it your understanding that
14 the letter had gone to council?---Yes.

15 And had you been able to get a copy of it through the normal
16 means, by just asking the council officers?---I think -
17 I found out about the letter from the client, I think,
18 Leighton Properties, and I ended up getting a copy of the
19 letter from Adrian Salmon at DELWP, who was the relevant
20 State government officer dealing with the amendment in the
21 end.

22 So at this stage Mr Ablett had been trying to find for you
23 whether or not the council had such a letter?---Yes.

24 Okay.

25 COMMISSIONER: It wasn't confidential, was it?---No, it was a
26 letter that would have been provided to the proponent
27 eventually, yes.

28 MR TOVEY: Just before - do you seek to have a break,
29 Ms Schutz?

1 COMMISSIONER: I thought in about 10 minutes, Mr Tovey.

2 MR TOVEY: All right?---I'm okay.

3 COMMISSIONER: All right. We'll see how we go. You let us

4 know if you want to stop?---Yes, I will.

5 MR TOVEY: Could you go to tab 13, please.

6 COMMISSIONER: I'll mark that phone call exhibit 113.

7 #EXHIBIT 113 - Telephone conversation on 17 October 2018

8 between Megan Schutz and Geoffrey Ablett at tab 119.

9 MR TOVEY: Tab 13 is a conversation dated 17 October 2018

10 between John Woodman and Megan Schutz. 17 October.

11 (Audio recording played to the Commission.)

12 MR TOVEY: So much of that is obvious?---Yes.

13 As of 17 October 2018 you have just become aware that the

14 minister has deferred decision in respect of the approval

15 of C219?---Yes.

16 And at that stage you are blaming it on bad publicity in The

17 Age newspaper?---Yes.

18 You think the minister has been spooked by the

19 publicity?---Yes.

20 And it then became ultimately the strategy, did it not, to

21 discredit - part of the publicity that was percolating at

22 that time suggested an improper relationship between

23 SCWRAG and developers?---Yes.

24 And the strategy then became a strategy which worked on the

25 basis that it was necessary to discredit The Age - or,

26 sorry, to - - -?---Yes.

27 Discredit The Age allegations?---Yes. The idea was defamation

28 against The Age. Yes.

29 Might we have a few minutes?

1 COMMISSIONER: We will have a break. We will adjourn until
2 11 o'clock.

3 (Short adjournment.)

4 COMMISSIONER: Yes, Mr Tovey.

5 MR TOVEY: Thank you. So, just for the transcript so we can
6 work out later on when we go - what we are talking about,
7 you were referring there to Cranbourne West being deferred
8 by the minister?---Yes.

9 That The Age newspaper has been the cause of that?---Yes.

10 You referred to Pauline Richards and Judith Graley as people
11 who would need to be consulted about why, line 28 and 29
12 on page 2?---Yes, so John refers to consulting with
13 Pauline Richards and Judith Graley.

14 Then John refers to at line 30 - he says, "In some ways I'm
15 glad. They deserve what they get." You say, "Yep," and
16 you say - and he says, "Be interesting to see how long
17 they keep paying us. Might be for years." Was that a
18 reference to consultancy fees that you were then getting
19 from Leightons?---Yes, it's referring to consultancy fees.

20 And how much were you getting in fees at that stage? Were you
21 being paid monthly?---Yes. So I was on a monthly
22 retainer.

23 Of how much?---So for the first part of my retainer I was on
24 \$10,000 a month, and then I was on \$20,000 a month.

25 From what period?---I would have to go - - -

26 Approximately?---I would have to go back and consult my
27 records. There was a period when I was receiving that
28 larger amount.

29 And what was John Woodman on, did he tell you?---I understood

1 he was going to be on a success fee and he also had - his
2 retainer was more than my retainer.

3 COMMISSIONER: Did you understand from this passage of the
4 conversation Mr Woodman was saying, "Well, if it's going
5 to take us much longer to get C219 through, well, that's
6 good for me. It means I've got to be paid for a longer
7 period of time in terms of my consultancy"?---That's what
8 he was being sarcastic about, yes.

9 MR TOVEY: Did he tell you what his success fee
10 was?---I understood his success fee was \$2 million.
11 Two million. The transcript refers to "Jess and Sam". It was
12 Geoff and Sam?---It was Geoff Ablett.
13 And then ultimately there's discussion where he indicates that
14 he's already informed that Megan Schutz is going to be the
15 next mayor.

16 COMMISSIONER: Sorry, not Megan Schutz?---No, sorry, Amanda
17 Stapledon - - -

18 MR TOVEY: Sorry, not Megan Schutz; Amanda Stapledon?---He told
19 me in that conversation that Amanda Stapledon was going to
20 be the next mayor, not Megan Schutz.

21 It is Friday, not that that makes any difference. All right.

22 I now want to take you to a conversation that occurred on
23 18 October of 2018. Sir, we are still in the same period.
24 And that's at tab 21.

25 COMMISSIONER: I'll mark the last phone call between Ms Schutz
26 and Mr Woodman on 17 October exhibit 114.

27 #EXHIBIT 114 - Phone call between Ms Schutz and Mr Woodman on
28 17 October 2018.

29 MR TOVEY: Tab 21 is a conversation, Mr Commissioner, on

1 18 October 2018 between Megan Schutz and John Woodman.

2 I suspect that may have already been tendered in the
3 evidence of Mr Woodman?---So can you just repeat, it was
4 18 October 2018?

5 Yes. Perhaps we could play that and we'll identify the exhibit
6 later on.

7 (Audio recording played to the Commission.)

8 COMMISSIONER: Is the entirety of that conversation already
9 exhibited?

10 MR TOVEY: Yes, it is exhibit 38, Mr Commissioner. So that
11 conversation relates to a number of issues in the inquiry
12 obviously?---Yes.

13 First of all in respect of the political aspect of it you see
14 that you say, "11 o'clock next Thursday I'll stick it in
15 and Jude." That was in respect of some appointment that
16 was being made, was it?---Yes, so it would have been an
17 appointment at Jude Perera's office with his chief of
18 staff as well, Sammy.

19 And was that in respect of - anticipated to be in respect of
20 the deferment?---It would have been about the deferment.
21 It would have been about amendment C219.

22 All right. Then you go on at line 8 to indicate, "He's
23 expecting the SCWRAGer's letter"?---Yes.

24 So the SCWRAGer's letter - John Woodman says to you, "Look, we
25 can write that today and there has to be a meeting with
26 Rocket." Is that the way - - -?---Ray Walker.

27 Yes. So basically is what was going on there appears to be,
28 and certainly tell me if I'm wrong, that you are expecting
29 to meet with Jude Perera in respect of the deferment; you

1 are seeking to bolster your preferred position, that is
2 that C219 goes ahead - - -?---Yes.
3 By providing him with a letter from SCWRAG - - -?---Yes.
4 Which John Woodman refers to as "one we can write
5 today"?---Yes.
6 And that's in the expectation that that letter will contain
7 what you want it to contain?---Yes.
8 He indicated over the page at page 217 - sorry, at line 27,
9 this is page 2, he spoke to Tony Johnson. Who is Tony
10 Johnson?---Tony Johnson, I think he's one of the directors
11 at Villawood.
12 Another developer?---Yes.
13 Then there's discussion about "DH has been offered the
14 speaker's chair." That's at the bottom at line 38?---He's
15 referring to Minister Wynne.
16 COMMISSIONER: What initials did that relate to, DH? Why do
17 you say that's Mr Wynne?---Because that was the - that was
18 the nickname.
19 DH?---Yes.
20 For him?---Yes.
21 MR TOVEY: Was that an offensive name that you were calling
22 him?---Yes.
23 It was "dickhead", was it?
24 COMMISSIONER: I don't think we need to go into that,
25 Mr Tovey?---Yes, I'd prefer - to be honest, I feel very
26 ashamed about my language and I - - -
27 MR TOVEY: All right. So you're there talking about the
28 minister being offered the speaker's chair?---Yes.
29 And then you say, "That would be fucked", and he says, "So that

1 suits us." What's being discussed there? If you just
2 have a look. I might have misstated that?---No, that's
3 right. Minister Wynne has not been viewed by the
4 development industry as a particularly friendly planning
5 minister to the development industry. It's very - yes, he
6 favours community groups and public interests.

7 That's not necessarily a bad thing, is it?---No. So I'm
8 just - I'm being candid about why the discussion of him
9 not being - continuing as planning minister under the new
10 government.

11 So that's the point I was going to make with you. Even though
12 you were doing whatever you could to get access to
13 Mr Wynne, he hadn't, as you perceived it, shown any
14 particular favour to you?---No.

15 And indeed you had given him a nickname because of that
16 fact?---Yes.

17 All right.

18 COMMISSIONER: That was part of Mr Woodman's modus operandi,
19 his strategy, that his reach, if he could, would extend if
20 he was able as far as the minister's office?---Yes.

21 MR TOVEY: All right. Then you went on at page 3, line 57,
22 Mr Woodman indicated to you that, "Heath spoke to me this
23 morning and we're going to have to convince Ray" - which
24 is Ray Walker - "that houses won't be built for six months
25 plus. So there will be no-one there for six months during
26 that time the intersection will be built." What was that
27 about? Was Ray Walker resistant to houses not being built
28 immediately or - - -?---No, so there was obviously - from
29 this conversation there was a deal going on with Dacland.

1 So John Woodman was negotiating a deal with Dacland.
2 Yes?---And as you would see from the final resolution that went
3 through on 18 December it allowed - I think it was
4 18 December, it allowed Dacland to release stage 10 of its
5 estate which meant 44 new housing lots and to bond the
6 works and to commence - they had to commence construction
7 of the intersection as well, otherwise their bond would be
8 cashed in I think by July 2019 if they hadn't commenced by
9 that date. So it was about - Ray's position in relation
10 to the intersection was there should be no release of any
11 more lots until that intersection was built, and the
12 arrangement that John Woodman was negotiating with
13 Dacland, as in John Dwyer, was that there would be release
14 of the 44 lots, the stage 10. So I was asking and John
15 was letting me know that he was going to reason with Ray
16 that houses wouldn't be built on those lots, you know, for
17 some time because you get the lot but then you've got to
18 build a house on it and the construction of the house
19 takes six to nine months usually.

20 Yes. And was the position of Dacland in respect of the bond
21 and so forth and the need to get to the next release stage
22 something which was used as a negotiating tool, to your
23 knowledge?---Yes, so, I mean, Dacland needed release of
24 stage 10. In terms of their own commercial interests they
25 needed release of stage 10.

26 And was it your and Mr Woodman's perception that they were
27 somewhat stressed at the time?---They were stressed at the
28 time.

29 And did you seek to take advantage of that by having them pay

1 for a significant section of the intersection?---I don't
2 like to think that I took advantage of it.

3 Well, was that nevertheless the outcome?---Well, that was the
4 game that was being played, yes.

5 And hence you have Mr Woodman rejoicing about the fact that -
6 about the amount that they were paying?---Yes, they are
7 going to be - he was talking about having imposed on them
8 the lion share of delivery of the intersection.

9 Just so you know what I'm talking about there at the fourth
10 page at lines 77 and 79 where he says, "Wolfdene will only
11 pay for their part and the other idiots will pay for the
12 majority. What a wonderful outcome"?---He's talking about
13 that, yes.

14 And you see there at page - sorry, at the same page, line 73,
15 Mr Woodman says, "Heath wants me to - I don't see it as
16 any problem. He'll be in charge of the design. We'll
17 bolt on his work on the south, build the whole thing at
18 once and that will be a requirement of SCWRAGer's
19 support." Is that the strategy that was decided
20 upon?---I think that was the strategy that they wanted to
21 be in control of the design of the intersection so that
22 they - you know, there's a lot of variables in delivering
23 an intersection. It's quite a complicated matter. It
24 would be easy, if you weren't in control of it, to be
25 imposed with additional costs.

26 Now then discussion moved on, did it not, to the election of
27 mayor which was about to take place - - -?---Yes.

28 At the City of Casey. And John Woodman at page 81 indicated to
29 you that he told Gary Ablett - - -?---Geoff Ablett.

1 Sorry, line 81 at page 4, that he told Gary Ablett - -
2 -?---Geoff Ablett.
3 Sorry, Geoff Ablett "yesterday" that he was far too busy to
4 talk to him?---Yes.
5 And Ablett didn't know that he had been having lengthy
6 discussions with Ms Stapledon?---Yes.
7 Is that right?---Yes.
8 And he had indicated that Mr Ablett was on the nose and the
9 reason that he was on the nose, if you go down to line 91,
10 was that he had been going around telling people that,
11 unless they play ball, one of their number one supporters
12 is going to withdraw all support from them?---Yes.
13 And so what Mr Ablett had been accused of there was using his
14 association with John Woodman as a lever to try and make
15 people vote for him?---Yes.
16 And John Woodman was making it known that he didn't require
17 people to vote for Gary Ablett; that they'd still get
18 their support?---Geoff Ablett. Geoff Ablett.
19 Sorry?---That's all right.
20 I'll just stick to "Mr". To Mr Ablett?---To Mr Ablett, yes.
21 And what was being said there was, "Look, I'm letting people
22 know if they want to vote for Amanda Stapledon it's okay
23 by me"?---Yes.
24 And he had been discussing her candidacy with her in quite some
25 detail, it would be appear?---It appeared from - yes.
26 COMMISSIONER: What did you understand at that time Mr Woodman
27 was referring to or Mr Ablett was referring to when he
28 said that Mr Woodman would withdraw all support?---Well,
29 I said - after he said that to me, I said, "Do you mean

1 your support?"

2 Yes, can we just go down a couple of lines, please?---Yes, and
3 he went, like, "Dumb, dumb, of course that's what it
4 means."

5 What I'm asking you is what did you understand was the support
6 that Mr Woodman had been giving these people?---I think
7 I had my head in the sand - - -

8 Just be that as - - - ?---I'm trying to answer your question
9 because - what I observed of the type of support was a
10 friendship support, really, like this chummy, chummy close
11 relationship. Like, Geoff was often - you know, Geoff
12 would often come down to Watsons at Mornington and have
13 cups of tea with John and, you know, he once said to me,
14 "I'm a John Woodman man."

15 You didn't understand that in that context to be financial
16 support?---I never saw the financial support other than
17 when - the ones which I think I have already said to you
18 when he mentioned to me one day that he had given Amanda
19 Stapledon \$15,000 while she was trying to find a job.

20 Ms Schutz, are you saying that when Mr Woodman told you what
21 Ablett was saying - - -?---Yes.

22 That you really thought that just meant Mr Woodman saying,
23 "I won't let you come and have cups of tea with me anymore
24 and be friendly with you"; is that what you thought he
25 meant?---I didn't turn my mind to it.

26 No?---No.

27 MR TOVEY: And you did that deliberately because the answer was
28 going to be unacceptable, wasn't it?---I don't even think
29 I had that level of consciousness.

1 COMMISSIONER: Looking at it now, he wasn't talking about cups
2 of tea, was he?---No.
3 He was talking about financial support?---Well, after reading
4 the newspapers, yes.
5 MR TOVEY: On 19 October 2018, again in a discussion which
6 hasn't yet been transcribed, there was a conversation
7 between you and Mr Woodman?---Yes.
8 Where you discussed the SCWRAG letter that you were
9 drafting?---Yes.
10 And that was a letter to be provided to Mr Staindl?---Yes.
11 Who would then provide it to the minister's chief of
12 staff?---Yes.
13 I think I've already asked you about this, but is that
14 something which was discussed between you at that
15 stage?---Between?
16 Between you and Mr Woodman?---Yes.
17 Again, and this is again something that hasn't been
18 transcribed, a few days later on 22 October Mr Woodman is
19 recorded telling Mr Kenessey?---Tom Kenessey.
20 Sorry, Mr Kenessey - - -
21 COMMISSIONER: That's the Leighton consultant?---Yes.
22 MR TOVEY: Yes. That's the man referred to in the various
23 transcripts we have seen as Tom, isn't it?---Yes.
24 So he is recorded as telling Mr Kenessey that Mr Staindl has
25 been provided with a draft of a letter from the community
26 to the minister and that Mr Staindl is going to discuss
27 the letter with the minister's chief of staff?---Yes.
28 That is to discuss a draft letter?---Yes.
29 Did you have knowledge of that?---Yes.

1 And what was that process?---I think we were asked to - the
2 concept of the letter from SCWRAG I assume came - I assume
3 it was a suggestion that came from either Phil Staindl or
4 from Jude Perera's office and that's why the letter was
5 being prepared, and to make sure that the letter said what
6 it needed to say it was provided in draft first of all to
7 get feedback, yes.

8 And who did you anticipate to give feedback on the draft before
9 the final letter was prepared?---Phil Staindl was dealing
10 with the draft, from what you have just read out to me,
11 Phil Staindl was dealing with the draft, and he was
12 dealing with - from what you have read out to me it
13 appears he was dealing with Minister Wynne's office, which
14 means I think at that time Peter Keogh was the chief of
15 staff, I think, in Minister Wynne's office. So I assume
16 he was going to seek feedback from Mr Keogh.

17 COMMISSIONER: Was that a common occurrence, that a draft
18 letter would be submitted to someone within the minister's
19 office to run their eye over it to see whether or not it
20 had the right content in it before it was settled?---At
21 this point in time my - this is the only instance or
22 something of this nature I can recall, yes.

23 It's unusual, isn't it?---It seems unusual. There were lots of
24 things that were unusual, Mr Commissioner.

25 MR TOVEY: I now want to go to tabs 39 and 40. These are two
26 parts of a conversation which started at 1.40 pm on
27 2 November 2018 between yourself and Mr Woodman.

28 (Audio recording played to the Commission.)

29 MR TOVEY: Could we go on to play the remainder of that

1 conversation at tab 40? Sorry, when I say "the
2 remainder", part of the remainder. I apologise. I'm
3 sorry, what I thought was a continuation in fact is a cut
4 from what we have already heard.

5 COMMISSIONER: Very good.

6 MR TOVEY: So could I tender that telephone intercept
7 transcript, please.

8 COMMISSIONER: Of 2 November, 115.

9 #EXHIBIT 115 - Telephone intercept transcript of 2 November
10 2018.

11 MR TOVEY: Again this is about the time that The Age is writing
12 articles that are causing angst?---Yes, so this is
13 2 November 2018; yes.

14 And there was talk there about somebody trawling through
15 council minutes?---Yes.

16 What was the concern there?---I think - I assume it was because
17 a lot of items, well, from my experience of working with
18 John, items I had been working with John on, if there was
19 a negative council officer report there would just
20 be - the approach would be to draft an alternative
21 recommendation, and that would have come out from trawling
22 the council reports.

23 And the speculation by you that Gary Rowe was behind
24 this?---Well, there was something - I didn't and I still
25 don't understand what was going on between Gary Rowe and
26 Sam Aziz. There was some type of stand-off between the
27 two of them.

28 A bit of hostility that you noticed or was it something
29 else?---Well, it was - there was a lot of hostility.

1 All right. Then if we go to the top of the third page,
2 Mr Woodman, and he comes back to this later on, says,
3 "Yeah, they think this is going to help, you know, going
4 to help the Labor Party. I've got to make a decision
5 where I ring Staindl and tell him, 'Mate, if this was the
6 Labor Party, be very careful about playing this game
7 because I've got to be careful because I've got enough
8 dirt on them to sink them, you know what I mean.'" What
9 was that about?---I said "yep", but I wasn't entirely sure
10 what he meant. I'm assuming he was talking about having
11 some dirt on the Labor Party that they wouldn't want in
12 the media. I'm assuming that's what he's referring to.
13 And how was he going to use that for leverage, as you
14 understood it during that conversation?---Well, it looks
15 like he was going to use it to say, "If you don't - if you
16 keep this negative exposure of me up in the media I'm
17 going to, you know, release some of my own negative - some
18 dirty laundry in relation to the party."
19 This is what's difficult perhaps to understand is why would he
20 think that the Labor Party were responsible for the
21 negative exposure?---I think, see, [REDACTED] was a
22 council officer, and she was the council officer
23 responsible for the report in relation to the Pavilion
24 Estate, and [REDACTED]
25 [REDACTED].
26 And was he a Liberal or Labor?---He was Labor. He's Labor.
27 [REDACTED] So I think there
28 was, you know, a theory that - she was personally very
29 unhappy about the Morison Road Pavilion Estate decision.

1 She did not agree with it.

2 And why was that?---We had a strong difference of opinion in
3 relation to the planning merits. Like, I had a strong
4 different opinion from her in relation to the planning in
5 relation to that matter, and she had a strong opinion
6 about the planning, yes. So I think - - -

7 COMMISSIONER: What was her role in relation to planning?---She
8 was a growth area planner, a principal planner.

9 At the council?---At the City of Casey, yes.

10 And how did you come to be having a discussion with her?---She
11 was the planning officer dealing with the amendment to the
12 planning permit for Pavilion that I had lodged in December
13 2017.

14 MR TOVEY: Then you went on to discuss whether there
15 was - whether the search of the council records would
16 reveal failure of persons to disclose a pecuniary
17 interest, if you go over the top of page 4?---So this is
18 John talking to me?

19 Yes?---What line, sorry?

20 If you go down to line 69?---Could I just start that paragraph
21 where John starts speaking?

22 Yes?---So I think he's talking about councillors having a
23 conflict of interest.

24 Yes, and how the conflict of interest regulations apply?---Yes.

25 Then there's reference to the defamation lawyers?---Yes, yes.

26 And the defamation lawyers came in as the strategy to discredit
27 The Age?---Yes.

28 And I think there's reference to Geoff there. That is Geoff,
29 who was a partner at Maddocks, not Geoff Ablett?---Sorry,

1 where's that? I thought the transcript he refers to
2 Richard Leder, actually, Richard Leder, who was the Corrs
3 partner that John asked me to instruct in relation to the
4 defamation.

5 It was line 99 that I had in mind?---Okay. No, Geoff Ablett.
6 That's Geoff Ablett, is it?---Yes.

7 And what was that about?---He must have sent me - I haven't
8 refreshed my memory in relation to this, but I'm assuming
9 it refers to an email that he has sent me of questions
10 that The Age have asked him via email.

11 COMMISSIONER: So there's a reference there to a dinner at
12 Beaconsfield involving Dr Napthine?---Yes.

13 So was that a Liberal fundraiser, was it?---Yes.

14 And Dr Napthine at that stage, what was his position?---I'm
15 assuming - I can't remember, but perhaps he was the
16 Premier then; yes.

17 So that was another example of opportunity for developer
18 consultants to engage with ministerial people at a senior
19 level?---Yes. Many opportunities.

20 MR TOVEY: And was that another of those functions where an
21 opportunity was afforded to discuss specific
22 matters?---I'm not sure I was at that function. I can't
23 recall it. I would have to refer - I would have to go
24 back to my diary, yes.

25 You have been to - forgetting this function, you've been to
26 functions on both sides of politics?---Yes.

27 Do both sides afford you the opportunity when you go to those
28 functions to speak about specific projects with
29 ministers?---Yes, you can go up to the minister and speak

1 to a minister about particular issues and they will
2 usually say, you know - usually in the case of me talking
3 about things with members of parliament I would have been
4 asked to prepare a briefing note already and I would
5 provide that briefing note to the minister's staffer, and
6 the minister's staffer would give me their card or I would
7 give them my card and it would be followed up with a phone
8 conversation and a meeting if - a meeting would be
9 organised if necessary.

10 Then if you go down to lines 104 through to lines 110 reference
11 is made there to an email mentioning Richard and Len
12 Torossi?---Yes.

13 Who are they?---So Richard Torossi is the director of Bayport,
14 which is a road contractor; and Bayport are also a
15 developer, mainly of industrial subdivisions.

16 All right. And John Woodman says to you, "He's given money to
17 Amanda separately anyway." Did you understand that to be
18 Mr Woodman saying to you that both he and Richard had been
19 giving money to Amanda Stapledon?---Yes.

20 What did you know about that?---I didn't know - only what I've
21 said. My recollection of John talking to me about giving
22 money to Amanda Stapledon is supporting her in her - when
23 she was a State candidate for parliament and also the
24 \$15,000.

25 I'll only be a few more minutes, sir.

26 COMMISSIONER: Very good.

27 MR TOVEY: I just wanted to finish this document. At 136 you
28 refer to Ballarto Road stuff from Brompton?---Yes.

29 That's Brompton Lodge?---Yes.

1 And was that ongoing planning issues relating to Brompton Lodge
2 release?---Yes, it referred to the need to surrender a
3 licence to allow the construction of Ballarto Road, which
4 is part of the approval requirements for the Brompton
5 Lodge estate.

6 And did that have anything to do with the council - sorry, with
7 the councillors?---No.

8 All right. Then at page 9 of 10 at line 206 he indicates he's
9 going to ring Mr Staindl about the signs. Are you able to
10 tell us what signs he's there talking about?---I'm
11 assuming John has offered some signs to promote a member
12 of parliament before the election.

13 And then there's reference to again, "I think the Labor Party
14 are playing with fire." This is the same issue we have
15 already discussed?---Yes. It's assuming that [REDACTED]
16 [REDACTED] has been the - yes, the person who has leaked
17 information to The Age.

18 COMMISSIONER: But I take it you don't doubt, Ms Schutz, that
19 whether an item on the council agenda was an item for
20 debate or an item where it's thought the councillors were
21 going to be unanimous - - -?---Yes.

22 In either event if the councillor had a conflict of interest in
23 respect of the item - - -?---Yes.

24 That individual councillor would have to withdraw from
25 participation in passing that item?---Yes.

26 MR TOVEY: Would that be an appropriate time?

27 COMMISSIONER: Yes, thank you. Mr Tovey, are you able to give
28 Ms Schutz any indication of how much longer you anticipate
29 your examination of her would be?

1 MR TOVEY: I regret we had anticipated at one stage that today
2 would have seen it out. We have another folder of emails
3 that have been made available yesterday that need to be
4 gone through. There are more to come.

5 COMMISSIONER: Yes.

6 MR TOVEY: So, on the safe side, I would say less than a day.
7 I would hope that it would be less than a morning, but it
8 just takes longer than one thinks always to play and get
9 comment on these various conversations.

10 COMMISSIONER: Yes. Thank you. Mr Lewis, before I give some
11 indication to your client about future hearing of
12 the matter is there anything you wanted to say to me about
13 the issue of Ms Schutz returning in the new year?

14 MR LEWIS: No, Commissioner.

15 COMMISSIONER: Thank you. So, Ms Schutz, obviously from what
16 you've heard we can't complete your examination today, but
17 this is the last day of this tranche of the Commission's
18 public hearings?---Yes.

19 It's now proposed that we will continue with public hearings
20 toward the end of February and for March of next
21 year?---Yes.

22 And my anticipation is, seeing you're part-heard, we would call
23 you at the outset?---Yes.

24 But it might be once all of the documentation has been looked
25 at that it might be thought it would be better to defer
26 further examining you until later in the hearing time, in
27 which case of course there will be communications between
28 the lawyers for the Commission and your counsel?---Yes.

29 In the meantime, so I won't release you from your summons; you

1 will be required to attend again next year?---Yes.

2 Please understand that, if you want to, you are able to have

3 access to the evidence you have already given by reference

4 to the transcript?---Yes.

5 I understand Mr Lewis has been provided with a running

6 transcript?---Yes.

7 You can look at that or any of the exhibits that have been

8 tendered. But I do remind you that there is an order that

9 witnesses leave the hearing until they are called to give

10 their evidence?---Sorry, could you repeat that?

11 Yes, there's an order that's been made at the outset that

12 witnesses leave the hearing until they are called on to

13 give their evidence?---Yes.

14 So you must not speak to witnesses that either have been

15 called - - -?---Yes.

16 Or will be called either about the evidence you have given - -

17 -?---Yes.

18 Or are likely to give or the evidence that they have given or

19 are likely to give?---Yes.

20 Do you understand?---Yes.

21 Thank you. So I thank you for your attendance and we will see

22 you in the new year?---Yes. Thanks.

23 You may leave the witness box?---Thank you.

24 <(THE WITNESS WITHDREW)

25 COMMISSIONER: Before we rise I will just give everyone an

26 indication of the process in the new year. As I have

27 indicated to the witness, the public hearings will resume

28 in the period between the last week of February and March,

29 but the precise date on which we will start is yet to be

1 determined.

2 I should indicate for future purposes that part
3 of the public hearings next year will focus upon the
4 question of whether further regulation is necessary in the
5 area of councillor obligations and the need for
6 transparency in their dealings with in particular
7 developers and developers' consultants. The Commission
8 would like to examine the question of the adequacy of
9 training and education of councillors in the area of
10 integrity issues and conflicts of interest.

11 The Commission will also focus upon whether there
12 is a need for greater regulation of donations to
13 campaigns, electoral campaigns, both at a council and
14 State election level, in particular with reference to
15 contributions being made by developers.

16 The Commission will also want to examine the role
17 of community representative groups and whether or not some
18 regulation is necessary to ensure there's transparency in
19 the way in which those representative groups demonstrate
20 their position and whether there is a need for
21 transparency in relation to any relationship that exists
22 between them and developers in particular; and, finally,
23 whether or not there's a need for regulation in the area
24 of the activity of lobbyists and consultants, with
25 particular focus on the need for transparency when they
26 are representing the interests of developers, whether
27 there should be a need for transparency both in relation
28 to who they represent and to whom they lobby.

29 So, in accordance with the Commission's primary

1 function which is to seek to the extent possible to ensure
2 that in the future one is able to prevent some of the
3 issues that have emerged in these hearings to date, we
4 will make a primary focus of the hearings in the new year
5 consideration of those sorts of issues.

6 So I thank everyone for their attendance and we
7 will adjourn the hearings until the new year. Thank you.

8 ADJOURNED TO A DATE TO BE FIXED